

MINUTES
REGULAR MEETING
CITY COUNCIL

January 4, 2016

Ronnie Thompson, Mayor

Sally W. Sandy, City Manager
Louis E. Vinay, Jr., City Attorney

John H. Cantrell)
Forrest A. Fleming) Councilmen
Sidney Simmons)
Vacant Seat)

Becky Brinkley, Interpreter

I. The meeting was called to order in the Council Chamber at City Hall at 6:00 p.m. by Mayor Thompson.

II. Public Comment – The Mayor stated the guidelines for public comment and speakers were called in order of sign-up.

- Bill Steiner resides at 221 Forest Hill Street. Steiner spoke regarding the City Council vacancy. He stated that when looking at council, while no disrespect intended, the current council is made up of older, white men. He stated this was a great opportunity to have a broader representation on the council which would be more representative of the community.

- Artie McKesson-Logan resides at 445 North College Street. She stated that as an applicant for the vacant Council seat she would not take the appointment lightly if chosen to fill the position. She stated that she stands on her reputation. She stated she is involved, productive, and fair. She feels she would be a good representative if appointed.

- Judy Willis resides at 125 West Union Street. She stated she is proud to be part of the City of Morganton and would like to see the City continue to grow. She shared her support of Wendy Cato for the District 4 vacancy citing among other things Wendy's volunteerism. She stated she feels it is time for a woman to be a part of the Council and that Wendy would be able to work with the Council as a whole.

- Ed Phillips resides at 111 Terrace Place. Phillips congratulated Sharon Jablonski for 25 years' service and Bill Wilson for 30 years' service with the City. He has asked to be considered for the opportunity to fill a seat on the Foothills Airport Authority. Phillips stated that he feels the airport is an underutilized resource and that he is active in trying to get charter business started, learning more about the charter business, and sees some inefficiencies at the airport that prevent the airport from getting that business. He stated he would like to have Council consider his appointment. He stated the other

reason he was speaking was to talk about cooperation within the Council and community. He hoped the Council would be able to make a decision on a representative from the pool of qualified applicants. He then stated he gave his support to Wendy Cato as he feels she would be a hard worker for all the citizens of Morganton.

There were no other speakers; the Mayor recessed the meeting at 6:06 p.m.

III. Business of the Council – The Mayor reconvened the meeting at 6:30 p.m.

IV. Pledge of Allegiance – Councilman Fleming led the recitation of the Pledge of Allegiance to the Flag.

V. Invocation – The invocation was given by the City Attorney.

VI. Introduction of Council – The Mayor introduced the Council and staff.

VII. Presentation of Service Pins – The Personnel Committee and City staff have decided to recognize long-term employees for years of service at a Council meeting.

Councilman Cantrell presented Sharon Jablonski, Main Street Director, with her 25-year service pin.

VIII. Public Advocacy Issues and Strategies

The Mayor announced the following upcoming events: at CoMMA - The Buddy Holly Story and The Hot Sardines.

- The Mayor read a proclamation celebrating the Morganton Rotary Club's 75th Anniversary. Councilman Simmons delivered the proclamation to Ron George, current Club president. George introduced immediate past president Waits Gordon and president-elect Hugh Morgan from the local club. George stated some things the Rotary Club does locally, including: providing scholarships, helping to fund a summer reading program, financial support to the local literacy group, Boy Scouts, Foreign Exchange program, and the *Stop Hunger Now* event with the local high schools. Their major fundraising event is the yearly Pancake Breakfast which is a widely anticipated community event. Each year the club recognizes a distinguished community leader, in the past as the "Man of the Year", but this year changing to the "Distinguished Person of the Year" recognizing the contributions of both men and women.

- Update on East Meeting Street properties given by Lee Anderson. Anderson reminded the Council of the newly adopted abandoned properties ordinance. Staff has met with two property owners, obtaining permission from one owner to enter property and get an evaluation. The other property owner is reluctant to work with the City but staff will continue to try to work with the property owner for some resolution.

- The Mayor reminded citizens of the upcoming March 15 Connect NC Bond Referendum stating how critical it is to Burke County and urged listeners and viewers to get out and vote.

Councilman Fleming stated he hoped the public would understand that this bond would benefit Burke County in bringing the School of Math and Science to this area which would in turn bring industry and jobs.

IX. North Carolina Municipal Power Agency Number 1 Update – There were no updates.

X. Consideration of Filling District 4 Council Vacancy

At the Mayor's request, the City Manager explained that at Council's direction, an advertisement was placed in the News Herald on Wednesday, December 2, 2015, calling for individuals with an interest in filling the District 4 Council vacancy to complete an application and return it to the office of the City Clerk by the end of the business day on December 15, 2015. Four applications were received, those being from Wendy Cato, John Henry, Artie McKesson-Logan and Steven Smith. The Mayor and all Council members received copies of those applications on December 16, 2015 for perusal.

At the December 7, 2015 Council Meeting, it was announced an appointment would be made at the January 2016 Council Meeting, with the chosen person to be sworn in at the beginning of the February 2016 City Council Meeting. At that meeting the City Attorney stated the Council may address the matter by first adopting a procedure to follow in selecting the person to fill the vacancy. This procedure will include vote by ballots (which will immediately become public) in one or more rounds, until one candidate receives at least three votes.

The Mayor read the procedure aloud so everyone would understand what the process would be. The procedure is as follows:

PROCEDURE TO FILL CITY COUNCIL VACANCY

The Morganton City Council, on this 4th day of January, 2015, hereby adopts the following procedure and guidelines to be followed in its selection of a person to fill the current vacancy in the City Council seat for District 4, for the remainder of the term to end in December, 2017. This procedure shall only apply if Council, after one-on-one discussions, has not agreed upon a single candidate to select by simple voice vote.

This procedure shall be followed as Council decides upon filling this particular vacancy, and in the discretion of Council it may be followed in filling any future vacancies on the Council.

- 1) Four individuals have submitted applications for the District 4 Council vacancy. All 4 applicants will be considered to be in nomination.
- 2) A written ballot will be given to the Mayor and each of the 3 serving Councilmen, with all 4 applicant names on it.
- 3) The Mayor and each of the 3 Councilmen will mark the ballot to indicate his choice of a single candidate.

- 4) The ballots will then be passed to the Clerk, who will announce the vote by reading aloud each ballot with the name and vote of the Mayor and each councilman.
- 5) If any candidate receives at least 3 votes on the ballots, that person is “elected” and shall fill the seat.
- 6) If no candidate gets more than 2 votes, then the 2 applicants with the lowest totals are eliminated, and the 2 highest vote-getters will advance to a second ballot, in the same format as the first round.
- 7) However, if the initial vote is 2-1-1, then Council will proceed to vote Yes or No on whether to select the candidate who received the 2 votes, and if that candidate receives at least 3 votes, he or she is the winner. If upon such vote, such candidate does not receive at least 3 positive votes, then that candidate will advance to a second round of balloting, in which the only other name on the ballot will be one of those who received a single vote in the first round. The decision as to which of the 2 who got single votes should advance to the second round shall be made by drawing straws or by similar fair method.
- 8) If a second round of balloting is held, it shall be conducted exactly as the first round, but with only 2 names on the ballot.
- 9) Once any candidate gets at least 3 votes, that person is the choice, and may be sworn in at the beginning of the next Council meeting.
- 10) At any time, if no candidate has received at least 3 votes, Council may suspend the selectin process, and return to further consideration of filling this vacancy at Council’s next meeting.

Upon motion by Councilman Cantrell, seconded by Councilman Fleming, and carried unanimously, the Council adopted the above procedure for selecting person to fill the vacancy on City Council, District 4, for term ending December 2017.

The Council then voted by having each member mark a separate ballot.

The vote on the first ballot was Wendy Cato – 2 votes (Cantrell, Fleming); and John Henry – 2 votes (Thompson, Simmons).

Following the procedure the other two candidates were eliminated and the Council voted again on the 2 remaining candidates.

The vote on the second ballot was Wendy Cato – 2 votes (Cantrell, Fleming); and John Henry – 2 votes (Thompson, Simmons).

The vote on the third ballot was Wendy Cato – 2 votes (Cantrell, Fleming); and John Henry – 2 votes (Thompson, Simmons).

As per the procedure the Mayor suspended voting. He stated that the two lowest vote getters were eliminated, and that Council would consider this again at the February Council Meeting.

XI. Consent Agenda – The City Manager presented the Consent Agenda stating that Item D would be removed due to an upcoming meeting with the E-911 regarding this issue.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and unanimously carried, the consent agenda was approved and each individual item adopted as stated with the exception of Item D, these being as follows:

A. Approved minutes for a Regular Meeting held on December 7, 2015, and a Special Meeting and Closed Session held on December 3, 2015.

B. Approved tax releases in the amount of \$6,635.97.

C. Approved the second reading of an issuance of Taxicab Franchises to Michael W. Gilbert (Ace Cab), Larry Segars (City Cab) and Claudia Morales (Becerra Translation & Associates).

D. This item was removed from the agenda: Changing the name of Mountain View Street to Mountain View Court to prevent confusion in the 911 addressing system.

E. Adopted the 12-month standard measurement period for health insurance eligibility.

XII. Items Removed from Consent Agenda – Item D was removed from the agenda to be placed on a future agenda.

XIII. New Business

1. Consideration of Entering into a CDBG Small Business Loan Agreement with Homer's Soda Shop, LLC

The City Manager stated that Dr. James Franks McGimsey III, James Franks McGimsey IV and Courtney Morse are the owners of Homer's Soda Shop, LLC. They have requested CDBG small business loan funds in the amount of \$30,000 to open a handcrafted cocktail bar and restaurant on the lower floor of 113 East Union Street. The property and building was recently purchased by Dr. McGimsey. He is currently in the process of renovating the building for new occupancy and would like to open Homer's Soda Shop to fill the downstairs space. Homer's will offer seasonally inspired cocktails, gourmet coffee and espresso, specialty oysters and hors d'oeuvres. Two of the owners have over twenty years combined management experience in the bar and restaurant industry. Together the owners are injecting \$20,000 of personal capital for this startup and are seeking \$51,964 in loan funds from VEDIC. Collateralization for the City's loan would be \$20,000 of equipment, furniture and fixtures, and personal guarantees of each owner. This business is anticipated to open in the Summer of 2016 if all loan proceeds can be secured.

The City has set aside CDBG Funds for the purpose of encouraging small businesses that meet both HUD hiring guidelines as well as City of Morganton Mission 2030 goals. Entrepreneurial development, downtown revitalization and tourism enhancement were each identified as essential Mission 2030 goals for economic development. This business loan is being recommended by the staff to promote these goals. Homer's will create at least 2 new full time jobs that meet HUD qualifications.

The Mayor asked if Dr. McGimsey would like to speak. Dr. McGimsey stated he is the owner of the building and they are working with Patti Glazer, the same architect who has been working on the Community House, to renovate the space.

The Mayor asked if they might share a bit about the menu. Courtney Morse stated they would be a craft cocktail bar, meaning they would serve classic cocktails. They plan to make their own juices and sodas in-house along with simple syrups, all using local ingredients as they are able. The plans include serving raw oysters, sandwiches, charcuterie/cheese boards, partnering with other downtown restaurants and local farms to procure ingredients. Morse stated they want to make sure they are a part of what is already existing and flourishing in downtown Morganton.

Councilman Simmons asked if there was collateral associated with this loan. The City Manager stated it would be on the equipment as well as a personal guarantee.

Councilman Simmons asked what would happen if they did not receive the VEDIC loan. Lee Anderson stated the City loan is a partner loan and if the VEDIC loan does not go through, this loan would not close. He stated we have done this in the past and it has worked well spreading the risk.

Upon motion by Councilman Cantrell, seconded by Mayor Thompson, and carried unanimously, the Council approved entering into a \$30,000 CDBG Loan Agreement with Homer's Soda Shop, LLC for the purpose of opening a new bar and restaurant at 113 E. Union Street.

2. Consideration of Contract for Lobbying Services

The City Attorney stated that for several years, the City has been contracting on an annual basis with the law firm of Manning Fulton & Skinner for professional lobbying services in relation to the North Carolina General Assembly and State government generally. In 2015, a "long session" legislative year, the firm charged a fee of \$50,000; in the last "short session" year of 2014, the fee was \$30,000.

Now, Manning Fulton has sent a proposal to charge \$40,000 for its lobbying services for the year 2016. The firm would continue to assign for its services John McMillan (one of the deans of all lobbyists in Raleigh), Michelle Frazier and John Hardin.

The requested fee is a significant increase over the last short session, but may be justified because during 2016 the State will be considering several matters of prime significance to Morganton, and indeed to the very future of our broader community. City staff continues to believe it is crucial for Morganton to have its own registered lobbyist in Raleigh, especially given the on-going critical issues unique to our city, above all the project to re-purpose and re-use the Broughton Hospital campus and the other adjoining State properties, and including the new western campus of the NC School of Science & Math. The City also benefits from having our own "eyes and ears" in Raleigh, keeping us apprised of developments in both the legislative and executive branches on a daily basis. During 2015, Michelle Frazier and her colleagues provided invaluable assistance,

particularly in the challenging but successful drive to promote a Morganton campus for the School of Science & Math.

The General Assembly, numerous State agencies, and the University system will all be making crucial decisions on these matters during 2016, so it will be critical for Morganton to have an especially strong voice in Raleigh.

The Mayor stated he heard that Michelle Frazier was in meetings for Morganton just this past week. The City Manager stated that the reality now is that business happens all year long in Raleigh. She also stated that Manning, Fulton & Skinner is also an outside lobbyist for ElectriCities so they are abreast of electric issues that could affect the City. She stated this was another reason they are a good fit for Morganton

Upon motion by Councilman Cantrell, seconded by Councilman Simmons, and carried unanimously, the Council approved a contract with Manning Fulton & Skinner to provide lobbying service with the General Assembly for 2016, for the fee of \$40,000.

3. Consideration of Boards and Commissions

a. Airport Authority – The City Manager stated that according to North Carolina General Statute, the Foothills Regional Airport Authority shall consist of eight members who shall be residents of either Burke or Caldwell County. Each of the governing bodies shall appoint two members, one of which shall be an elected official and one a citizen representative. Current terms expire at the end of December.

Councilman Sidney Simmons has been a consistent member of the Airport Authority and is willing to continue serving. If reappointed the term will expire on December 31, 2017.

Don Wright has also been a consistent member of the Airport Authority and is willing to continue to serve.

Others who wish to be considered for appointment and are willing to serve include: Richard Garrison, Tommy Hennessee, Ed Phillips, Robert Pruett, and Allen VanNoppen.

Upon motion by Councilman Fleming, seconded by Councilman Cantrell, and carried unanimously, the Council reappointed Councilman Simmons to the Foothills Regional Airport Authority for a term to expire on December 31, 2017.

Upon motion by Councilman Simmons, seconded by Councilman Fleming, and carried unanimously, the Council appointed Robert Pruett to the Foothills Regional Airport Authority for a term to expire on December 31, 2017.

b. Fireman's Relief – The City Manager stated the terms for Council appointee Karen Duncan and Public Safety appointee John Campbell have expired. These members

have been excellent participants on the board and have expressed interest in continuing to serve as members of the Board.

Appointments to the Fireman's Relief Fund Board are subject to the City Council's approval. Recommendation to the Council is to reappoint Karen Duncan and John Campbell for terms to expire on January 15, 2018.

Upon motion by Councilman Simmons, seconded by Councilman Fleming, and carried unanimously, the Council reappointed Karen Duncan and John Campbell to the Fireman's Relief Fund Board for terms to expire January 15, 2018.

c. Community House Board of Control – The City Manager stated the Community Building Board of Control is a Council appointed board that advises the Council concerning matters of operation of the Community House and responds to directives from the Council relating to the operation of the Community House.

Recommendation to the Council is to reappoint Wanda Burnette, Marchelle Speas, Phil Scarboro, Kay Dignan, Ron George and Colleen Bennett for terms to expire on December 31, 2017. These members have been excellent participants on this Board and have expressed interest in continuing to serve.

Upon motion by Councilman Fleming, seconded by Councilman Simmons, and carried unanimously, the Council approved the reappoints of Wanda Burnette, Marchelle Speas, Phil Scarboro, Kay Dignan, Ron George and Colleen Bennett to the Community Building Board of Control for terms to expire on December 31, 2017.

4. 30-Day Notice for Vacancies on Boards and Commissions – The City Manager announced upcoming vacancies on the Morganton Housing Authority.

5. Discussion of Policy on Public Comment – The Mayor stated the Council had a memo from the City Attorney.

Councilman Fleming made a motion to change the time and duration of the Public Comment period to take place from 6:00-6:15 p.m. and then begin the business portion of the meeting at 6:15. The motion was seconded by Councilman Simmons. The Mayor asked if there was any discussion.

Councilman Cantrell asked if more citizens sign up to speak than the allotted 15 minutes would there be some flexibility to accommodate them. The City Attorney stated that the policy currently states that if there are more speakers than time allows those speakers who did not have an opportunity to speak would be placed first on the list for the next month's meeting.

The City Manager stated this was for Public Comment only and not for a Public Hearing which does not have a time limit. She stated that in the past two-years the allotted 30 minutes was never used, and only once was the 15 minute mark surpassed.

The Mayor stated there was a motion on the floor and called for a vote. The item was carried unanimously with the Council approving the change of time and duration of the Public Comment period, which would take place from 6:00-6:15 p.m., and then begin the business portion of the meeting at 6:15.

XIV. Other Items from City Manager and City Council Not on Agenda – There were no other items presented.

XV. Reports – Reports were distributed for information.

XVI. Adjournment – The meeting was adjourned at 7:06 p.m.

XVII. Preparation of Minutes. These minutes were prepared by Mikela D. Russell, Assistant City Clerk. Copies of all resolutions, ordinances and orders referenced in these minutes are intended to be incorporated into these minutes as if fully set forth herein. Prior to including them into the official minute book, the minutes have been read and approved by the City Manager and the City Attorney, then distributed to each member of the City Council for further review and final approval, at a subsequent Council Meeting.

Mayor

Assistant City Clerk